

III. REMARKS

Claims 1-35 are pending in this application. By this amendment, claims 1, 27 and 35 have been amended. Applicants do not acquiesce in the correctness of the rejections and reserve the right to present specific arguments regarding any rejected claims not specifically addressed. Further, Applicants reserve the right to pursue the full scope of the subject matter of the original claims in a subsequent patent application that claims priority to the instant application. Reconsideration in view of the following remarks is respectfully requested.

A. REJECTION OF CLAIMS 1-28, 30 AND 32-35 UNDER 35 U.S.C. § 102(e)

With regard to the 35 U.S.C. § 102(e) rejection over Van Horn et al. (hereinafter "Van Horn"), Applicants respectfully submit that Van Horn does not teach each and every feature of the claimed invention.

Specifically, with respect to independent claim 1, Applicants respectfully submit that Van Horn fails to disclose, *inter alia*, "a unit setting module configured to allow setting membership of at least one item unit with related item units in at least one first group unit." See claim 1. Van Horn discloses a coop, formed for the specific purpose of purchasing a particular product. Abstract; col. 7, lines 3-9; col. 11, lines 8-10. In accomplishing this purpose, Van Horn defines a start time and an end time for the sale of the particular product. Col. 7, lines 3-9; col. 11, lines 12-17. People who are interested in buying the particular product in the Van Horn coop enter an amount that they are willing to pay for the particular product, and the offer is either accepted or rejected at the end time depending on the total volume of purchases by all buyers of the particular product and a pre-determined price curve. Col. 9, lines 36-44; col. 12, lines 27-31. The Van Horn coop functions only with a single product or product variant, which it defines as "...a set of

items for sale, which all has [sic] a certain set of significant characteristics in common.” Col. 6, lines 39-40. Nowhere does Van Horn disclose grouping of diverse products. In contrast, the unit setting module allows setting “...of at least one item unit with related item units in at least one first group unit,” (see claim 1) where items of a particular type are organized into item units. Thus, although the item units in each group unit are related, the items in each item unit differ from the items in the other item units in the group unit. Because of this, the unit setting module allows item units having different types of items to be grouped together. Thus, the at least one group unit, having multiple item types, that is created by the unit setting module as provided in the present invention is not equivalent to the Van Horn coop, which uses a single product. Accordingly, Applicants request that the rejection be withdrawn.

With further respect to independent claim 1, the Office is in error in equating the pricing tool in Van Horn with the discount rule module as provided in the current invention. The pricing tool in Van Horn uses a price curve to determine the appropriate current asking price for a particular product based on the number of offers for the product. Col. 11, lines 22-25. The pricing tool allows the Van Horn coop to adjust the unit price downward using the pricing curve for a particular product as the volume of orders rises. Col. 8, lines 42-45; col. 11, lines 22-25. However, the Van Horn pricing tool only allows for a pricing curve for a particular product. Col. 7, lines 3-9; col. 11, lines 18-21. The discount rule module as provided in the current invention is “...configured to allow setting at least one discount threshold for each first group unit,” (see claim 1) where each first group unit may have one or more related item units. Thus, the discount rule module as provided in the current invention may set a discount threshold for a group comprising items of different types, whereas the Van Horn pricing tool can only provide a

pricing curve for a particular product. For the above reasons, the Van Horn pricing tool is not equivalent to the discount rule as provided in the current invention. Accordingly, Applicants respectfully request that the Office withdraw its rejection.

With respect to independent claim 27, Van Horn fails to disclose, *inter alia*, "organizing an item available for purchase into an item unit with other items of a particular kind and at least one first group unit that includes one or more item units where the item units are related." See claim 27. As stated above, Van Horn discloses a coop, formed for the specific purpose of purchasing a particular product. Abstract; col. 7, lines 3-9; col. 11, lines 8-10. The Van Horn coop functions only with a single product or product variant, which it defines as "...a set of items for sale, which all has [sic] a certain set of significant characteristics in common." Col. 6, lines 39-40. Nowhere does Van Horn disclose grouping of diverse products. In contrast, the method of the current invention "organiz[es] an item available for purchase into an item unit with other items of a particular kind and at least one first group unit that includes one or more item units where the item units are related." See claim 27. This allows the present invention to group items of different types together and thereby attain a group discount. This is not equivalent to the Van Horn coop, which uses a single product. Accordingly, Applicants request that the rejection be withdrawn.

With further respect to independent claim 27, the Office is in error in equating the function provided by the pricing tool in Van Horn with "setting at least one discount threshold for each item unit and each first group unit, each discount threshold having an associated discounted price;" (see claim 27) as provided in the current invention. As stated above, Van Horn uses a price curve that allows the Van Horn coop to adjust the unit price downward for a

particular product as the volume of orders rises. Col. 8, lines 42-45; col. 11, lines 22-25.

However, Van Horn only allows for a pricing curve for one particular product. Col. 7, lines 3-9; col. 11, lines 18-21. In contrast, the present invention allows, *inter alia*, "setting at least one discount threshold for each item unit and each first group unit, each discount threshold having an associated discounted price." See claim 27. The at least one discount threshold as provided in the current invention is configured to be set for each group item, thus allowing items of different types to be grouped together to receive a discount. Because the current invention may set a discount threshold for a group comprising items of different types, whereas Van Horn can only provide a pricing curve for a particular product, the function provided by the Van Horn pricing tool is not equivalent to the setting of at least one discount threshold as provided in the current invention. Accordingly, Applicants respectfully request that the Office withdraw its rejection.

With respect to independent claim 35, Van Horn fails to disclose, *inter alia*, "an administration module configured to allow organization of an item into at least one group unit with related items, each group unit including at least one discount threshold that may be attained by selection of a volume of an item organized therein." See claim 35. As stated above, Van Horn discloses a coop, formed for the specific purpose of purchasing a particular product. Abstract; col. 7, lines 3-9; col. 11, lines 8-10. The Van Horn coop functions only with a single product or product variant, which it defines as "...a set of items for sale, which all has [sic] a certain set of significant characteristics in common." Col. 6, lines 39-40. Nowhere does Van Horn disclose grouping of diverse products. Furthermore, Van Horn uses a price curve that allows the Van Horn coop to adjust the unit price downward for a particular product as the volume of orders rises. Col. 8, lines 42-45; col. 11, lines 22-25. However, Van Horn only

allows for a pricing curve for one particular product. Col. 7, lines 3-9; col. 11, lines 18-21. In contrast, the administration module as described in the current invention is "...configured to allow organization of an item into at least one group unit, each group unit including at least one discount threshold that may be attained by selection of a volume of an item organized therein." See claim 35. This allows the present invention to group items of different types together. Furthermore, the at least one discount threshold as provided in the current invention is configured to be set for each group item, thus allowing items of different types to be grouped together to receive a discount. This is not equivalent to the Van Horn coop, which provides a pricing curve for only a single product. Accordingly, Applicants request that the rejection be withdrawn.

B. REJECTION OF CLAIMS 2, 29 and 31 UNDER 35 U.S.C. § 103(a)

In the Office Action, claims 2, 29 and 31 are rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Van Horn. Applicants herein incorporate the arguments presented above with respect to independent claims 1 and 27 from which claims 2, 29 and 31 depend. In particular, since Van Horn does not teach all the claim limitations of claim 1 and 27, Van Horn also fails to teach all the limitations of the dependent claims 2, 29 and 31. As a result, Applicants respectfully request withdrawal of this rejection.

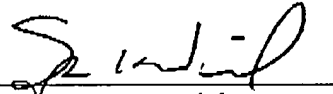
With regard to the Office's other arguments regarding dependent claims, Applicants do not agree with the Office's assertions. However, for brevity, Applicants will forego addressing each of these rejections individually, but reserve their right to do so should it become necessary.

09/718,961

Page 13 of 14

Applicants respectfully submit that the application is in condition for allowance. Should the Examiner believe that anything further is necessary to place the application in better condition for allowance, he is requested to contact Applicants' undersigned attorney at the telephone number listed below.

Respectfully submitted,



Spencer K. Warnick
Reg. No. 40,398

Date: June 11, 2004

Hoffman, Warnick & D'Alessandro LLC
Three E-Comm Square
Albany, New York 12207
(518) 449-0044
(518) 449-0047 (fax)

09/718,961

Page 14 of 14